

NORTHWESTERN Banker Newsletter

Vol. 1. No. 27

Des Moines, Iowa

November 8, 1971

Fed Schedules 3 Hearings on H.C. Activities

The Board of Governors of the Federal Reserve System has scheduled three hearings during November on questions relating to the types of bank-related acquisitions that may be made by bank holding companies.

The Board also has proposed a regulatory amendment to clarify the status of one-bank holding companies that fall within one or more of the various grandfather clauses of the 1970 amendments to the Bank Holding Company Act. Comments on this proposal should be received by December 1, 1971.

In general, the proposed amendment to Regulation Y would provide that any grandfathered company which acquired a second bank would have two years from that date to dispose of any activities not closely related to banking. This time period would be shorter if the company's right to continue the activities expired sooner under the grandfather clause.

Under the grandfather clause, some companies that controlled one bank on December 31, 1970, are given 10 years within which to divest non-banking activities; in other cases no divestiture is required; and in a few cases exemptions from divestiture may be granted by the Board.

The Board set the following schedule of hearing dates on other bank holding company questions:

1. November 8 on whether limits should be placed on the size, geographic area and types of activities of already established mortgage companies that may be acquired by bank holding companies. The Board has seven applications of this type under consideration. It also

expects that the hearing will enable it to adopt simplified procedures for acquisitions of mortgage companies where public interest factors are favorable. The



hearing will be conducted by available members of the Board in the Board Room of the Federal Reserve Building, 20th Street and Constitution Avenue.

2. November 12 on an application by First National Factors, a subsidiary of First National Boston Corporation, to acquire certain assets of Crompton-Richmond Factors, New York. Competitive aspects of the factoring industry itself as they relate to bank holding companies will also be discussed at this presentation which will be in the Board Room.

3; November 12 on the Board's proposal, announced August 17, to permit bank holding companies to serve as investment advisers to mutual funds. This presentation will begin at 10:00 a.m. in Room 1202.

Also, the Federal Reserve Board has invited comments by November 26 on an application by First Chicago Corp. for permission for its subsidiary, First Chicago Leasing Corp., to lease real property to McDonald's Corporation. Earlier this year the Fed Board determined that the leasing of personal property was so close-

ly related to banking as to be a permissible activity for bank holding companies. However, the Board has not yet made a similar ruling with respect to the leasing of real property. It is inviting comments on whether "such real property leasing activities... are so closely related to banking or managing or controlling banks as to be a proper incident thereto."

The National Association of Real Estate Boards has filed a letter with the Federal Reserve Board objecting to the FRB proposal to permit bank holding companies to engage in property management services. NAREB says such activity by banks is not closely related to banking and does not produce benefits to the public.

Prime Drops Again

First National City Bank of New York, which had earlier in October led the move among the nation's leading banks to a floating prime rate, announced last week it had dropped its prime to 5-5/8% from 5-3/4%. First National City's prime is pegged at 1/2% above the commercial paper rate, and can fluctuate from week to week.

Burns Opposes Interest Controls

Federal Reserve Board Chairman Arthur F. Burns testified before the House Banking Committee last week that he strongly opposes mandatory controls on interest rates. He said he thinks a successful wage and price control program will work in the long run to reduce interest rates, but the outlook for such

INTEREST CONTROLS...

(Continued on back page)



Verlon Britt
Bob Reed
Joe Snyder

You're a step ahead

when you call for the services of our correspondent "pacesetters."

"the pacesetter bank"



Bankers Trust

SIXTH AND LOCUST, DES MOINES
Member: Federal Reserve System and Federal Deposit Insurance Corporation

515-283-2421

we're here on your account

**SECURITY
NATIONAL
BANK** 6TH AND PIERCE
SIOUX CITY, IOWA



Further Prime Rate Drop

Following the news that First National City Bank of New York had dropped its prime rate to 5-5/8% Monday (see front page), Chase Manhattan Bank later announced it was reducing its prime from 5-3/4% to 5-1/2%. It was learned that other major banks in New York and Chicago were following the Chase rate.

IOWA NEWS

CROMWELL: J. R. Moore, 57, executive vice president and cashier of the Cromwell State Bank, died of a heart attack October 25 on his farm near Creston. He had attended the Ag Breakfast Conference at the Iowa Bankers Association convention in Des Moines that morning. Upon returning home at noon he went to a field to move some cattle and a passing motorist saw him collapse of a heart attack. The coroner said he died instantly. He is survived by his wife and his mother-in-law, Mrs. Omar Cannon.

DES MOINES: The Federal Reserve Board has approved purchase of Valley Bank and Trust Company by Banks of

Iowa, Inc., Cedar Rapids bank holding firm. Full details are in the November NORTHWESTERN BANKER magazine.

EDGEWOOD: Community Savings Bank will hold open house for bankers from 4:00 p.m. to 7:30 p.m., Tuesday, November 9 to view the new banking quarters. A buffet will be served at the Legion Club.

IOWA FALLS: The Iowa Falls State Bank recently received approval from the FDIC to exercise limited trust powers.

RED OAK: Hawkeye Bancorporation has filed an application to the Federal Reserve System for prior approval to acquire voting shares of: The Clay County National Bank, Spencer; Kellogg Savings Bank, Kellogg; First Federal State Bank, Des Moines; State Bank and Trust, Council Bluffs; Camanche State Bank, Camanche and Jasper County Savings Bank, Newton. It has also signed an agreement in principle to purchase at least 51% of the stock of Citizens National Bank, Boone.

WELLSBURG: Peoples Savings Bank re-

cently received FDIC approval to exercise limited trust powers.

NEBRASKA NEWS

LINCOLN: Lincoln Bank East, 68th & "O" Streets has filed a charter application with the department of banking.

OMAHA: Allen P. Stults, president of the ABA, announced the appointment of F. Phillips Giltner, president of the First National Bank of Omaha, as a member of the correspondent bank advisory board of the American Bankers Association. Mr. Giltner is widely known in correspondent bank circles.

OMAHA: A former assistant vice president of First West Side Bank has been charged with embezzling \$48,000. U.S. District Attorney Richard A. Dier charges that Donald Dean Fleming, 38, embezzled \$48,000 "of the funds and credits of the bank" between July 15, 1969 and November 30, 1970. Details of the alleged embezzlement will be disclosed at a subsequent hearing according to Mr. Dier.

UEHLING: A charter has been issued by the department of banking to the Uehling State Bank.

ILLINOIS NEWS

CHICAGO: Harold C. Carlstead has been named to the board of directors of Olympia Bank according to Alfred J. O'Malley, chairman of the board.

CHICAGO: The Northern Trust Company has received approval for a branch to be established at the northeast corner of Adams and Wacker Drive.

CLINTON: The De Witt County National Bank recently received approval for a branch to be located at 301 S. Grant.

EVANSTON: Michael N. Noles has been named manager of the consumer loan department of the Evanston Bank according to James P. Scheurenbrand, president. He was formerly assistant loan officer.

GURNEE: A charter has been approved for the Gurnee National Bank. Frank C. Potter was named as agent.

HILLSBORO: Montgomery County National Bank recently received approval for a branch to be located at 100 South Hamilton Street.

WORTH: David D. Lambertsen has been appointed an officer of the First State Bank of Worth according to Russell D. Boyer, executive vice president. He will be assistant cashier in loans and operations.

There are so many ways we can help you
That's why over half the banks in Iowa are

— MNB correspondents

Tom Martin
Assistant Vice President



MERCHANTS NATIONAL BANK

CEGAR RAPIDS, IOWA 52401
MEMBER F.D.I.C.



Bob Buerneke

*We know the importance of your
bank to your community.
Correspond with us.*

**IOWA-DES MOINES
NATIONAL BANK**

Member Federal Deposit Insurance Corporation

Call on the "Performance Team"...

Uniquely prepared to handle uncommon transactions uncommonly well.

FIRST NATIONAL BANK & TRUST COMPANY OF LINCOLN

13th and M Street • Lincoln, Nebraska 68501 • Member, F.D.I.C.



Northeast Iowa Banks

When you're ready for it, make an appointment to see our computer compute. It can solve a lot of problems for your bank. When your bank needs this or any other service, call Bill Rickert or Ken Young.



MINNESOTA NEWS

BRECKENRIDGE: D. E. Wall, 41, president of the Farmers and Merchants Bank, died recently of an apparent heart attack. Mr. Wall became president of the bank 18 months ago following the death of Duncan Barr.

CAMBRIDGE: Robert C. Becklin has been named president of the Peoples State Bank. He is a state representative of Minnesota from Chicago and Isanti counties and has been active in the charcoal briquet industry for 12 years.

INTERNATIONAL FALLS: James Kalstad was promoted to vice president at the International State Bank. Muriel Leseman was named assistant vice president and Keith Goulet has been named cashier. The announcements were made by Eugene S. Blair, president.

MENDOTA HEIGHTS: Mid America State Bank, recently received approval to become a member of the Federal Reserve System.

MINNEAPOLIS: Northwest Bancorporation has filed an application for prior approval to acquire the voting shares of Farmers and Merchants State Bank of Stillwater.

MINNEAPOLIS: The election of two directors and a staff promotion have been announced by First Southdale National Bank. The new directors are Emma L. Rovick and Daniel D. Schmelz. John DePalma was promoted to assistant manager of the installment banking department. The announcements were made by D. W. Judkins, president of the bank.

MINNEAPOLIS: Charles F. Pierson, a director of First National Bank of Minneapolis, and chairman of the board of Farmhand, Inc. died recently.

MINNEAPOLIS: Frederick L. Deming, president of Independent Bancorporation, a new bank holding company in Minneapolis, has been elected a director of National City Bank of Minneapolis. He was formerly president of the Federal Reserve Bank of Minneapolis, and most recently a partner in Lazard Freres & Co.

NORTH DAKOTA

KENMARE: The State Bank of Kenmare recently received approval to increase its capital stock from \$100,000 to \$200,000 by stock dividend, according to G. W. Ellwein, state banking commissioner.

WYOMING NEWS

LUSK: Max T. Bird, executive vice president of Stockmans National Bank of Lusk, who guided the founding of that bank in 1953, died recently. He was a native of Ireton, Iowa.

TORRINGTON: Rex W. Tebbet, president of the Citizens National Bank in Torrington, recently announced the sale of a large number of shares of stock in the bank to Joe Huckfeldt, president of the Gering National Bank, Gering, Nebraska, and Roy Dinsdale of Palmer, Nebraska. There will be no changes in officers or employees at the bank and Mr. Tebbet will remain as its chief officer.

MONTANA NEWS

RICHEY: The First State Bank of Richey, a state member bank, recently converted to the Montana National Bank of Richey.

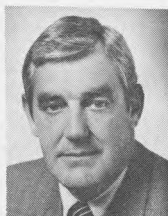
COLORADO NEWS

DENVER: William M. White, 32-year old chairman and chief executive officer of Great Western United Corp., has resigned from the board of directors and executive committee of The First National Bancorporation, Inc., and the board of The First National Bank of Denver, according to Montgomery Dorsey, chairman of both firms. Mr. Dorsey stated that Mr. White and members of his immediate family, including his mother, Mrs. Helen Thatcher White, with the exception of Mahlon White, have disposed of their stock in The First National Bancorporation. Mahlon White remains as a member of the First National Bank board.

The stock sale was reported to involve about 80,000 shares of stock, which at current market prices, would be worth more than \$3 million. Earlier in October, Mrs. White's brother-in-law, Frederick M. Farrar, sold 115,118 shares of Bancorporation stock for almost \$4 million. Mr. Farrar is one of the princi-

**COULSON
CANNON
AND MUIR**

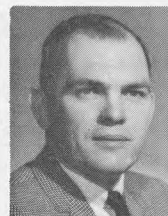
Three of our men
on your side at



Fred Coulson



Tom Cannon



Dick Muir



COMMERCE BANK of Kansas City



You don't need us. We need you!

"C" Central National Bank & Trust Company
LOCUST AT SIXTH AVENUE, DOWNTOWN DES MOINES, PHONE 243-8181, MEMBER FDIC.

pals of a new bank holding company, Mountain Banks Ltd., which would have five banks in Pueblo, Colorado Springs and Denver. He sold his stock and resigned as a director to avoid a conflict of interest, he said.

INTEREST CONTROLS...

(Continued from front page)

rates during the next year is uncertain. This is due, he testified, to moving into a period with no historical precedent and too little on which to judge potential results.

The main effort of Mr. Burns' committee on interest and dividends, appointed by President Nixon, will be directed initially to home mortgages and

consumer credit - the two facets of the economy directly affecting families. He noted that rates on these loans are among the less flexible and tend to lag behind rate changes in the open money market. The effort of his committee, he stated, will be to reduce this time lag.

He opposed mandatory interest controls in his testimony by stating, "Let us never forget that while a legislature may impose an interest ceiling, it has no way of compelling the owner of investible funds to lend them to anyone." Regarding dividends, Mr. Burns said his committee thinks any increases in dividends during Phase II should be tied to the amount of raises allowed for wage earners.

WANT ADS

Rates 25 cents per word per insertion. Minimum: 12 words.
NORTHWESTERN BANKER
306 15th St., Des Moines, Iowa

COMMERCIAL LOAN OFFICER

To manage department in \$8 million central Wyoming suburban bank. Applicant should have lending experience, with some business promotion background. Mail inquiries to: P. O. Box 2680, Casper, Wyo. 82601.

POSITION AVAILABLE

\$17 million Iowa bank seeks operations and accounting officer. Must have experience in operations and accounting knowledge. Write File WSB, c/o NORTHWESTERN BANKER 306 15th St., Des Moines, Iowa 50309.

POSITION AVAILABLE

To head country bank. Insurance experience helpful. Good opportunity for the right man. Write File CNB, NORTHWESTERN BANKER, 306 - 15th St., Des Moines, Iowa 50309.

STEVEN H. PARRISH

GOLD LEAF SIGNS

Specialist to the Bank Trade
Since 1922

5 Random Road Oak Ridge
SUPERIOR, NEBRASKA 68978

TRUST OFFICER

To manage growing trust department in \$60 million bank. Must be aggressive and have diversified experience. Age 30-45. Legal background preferred. Excellent opportunity. Write Box BTO, in care of NORTHWESTERN BANKER, 306 - 15th St., Des Moines, Iowa 50309.

FOR SALE

Diebold Drive-up Window, excellent condition. Available for immediate delivery. William Beohm, Tama State Bank, Tama, Iowa 52339. Telephone 515 / 484-4620.

WANTED

Manager for Bank Insurance Agency in beautiful Northwestern Montana. Send resume to File MIA, in care of NORTHWESTERN BANKER, 306 - 15th St., Des Moines, Iowa 50309.

WANTED

Insurance Agency Manager for Bank Agency in Northwestern Nebraska. Send resume to File NBA, in care of NORTHWESTERN BANKER, 306 - 15th St., Des Moines, Iowa 50309.

- I would like to sell my majority bank stock.
 I would like to buy majority bank stock.

Please Contact: J. Mason Henry, Pres.
CHARLES E. WALTERS CO., INC.
P. O. Box 1313, Omaha, Neb. 68101
Phone: (402) 553-6400

YALE® SECURITY EQUIPMENT

NOW AVAILABLE FROM THE SPECIALISTS
TO YOUR STATE BANKERS ASSOCIATION
FOR BANK EQUIPMENT SALES/SERVICE

F. E. DAVENPORT
REGIONAL OFFICE
2066 FARNAM ST.
OMAHA, NEB 68102



YALE
BANK SERVICE DIV.
RYE, N.Y. 10580

LA SALLE'S Teller Referral Guide
can help your tellers work
more efficiently

It's a handy card that gives your tellers a complete step-by-step procedure for the proper handling of their various operations. Yours without charge. Just write or phone Cy Kirk or Max Roy at the LaSalle National Bank in Chicago today. Telephone (312) 443-2774.

LOWER YOUR FARM LOAN RISK

By sending him DOANE'S Farming For Profit, the hard-hitting, fact-filled monthly newsletter that provides help in management, production and marketing. Free sample subscription for 6 months. Write D. R. Gorr, DOANE Agricultural Service, Inc., Dept. 701, 8900 Manchester Road, St. Louis, Missouri 63144.

STATEMENT OF OWNERSHIP MANAGEMENT AND CIRCULATION

(Act of October 23, 1962; Section 4369, Title 39,
United States Code.)

- Date of filing - September 27, 1971.
- Title of publication - Northwestern Banker Newsletter.
- Frequency of issue - Weekly
- Location of known office of publication - 306 Fifteenth Street, Des Moines, Iowa 50309.
- Location of headquarters or general business offices of the publishers (Not printers) - 306 Fifteenth Street, Des Moines, Iowa 50309.
- Names and addresses of publisher, editor and managing editor -
Publisher - Malcolm K. Freeland, 306 Fifteenth Street, Des Moines, Iowa 50309.
Editor - Ben Haller, Jr., 306 Fifteenth Street, Des Moines, Iowa 50309.
- Owner (if owned by a corporation, its name and address must be stated and also immediately thereunder the names and addresses of stockholders owning or holding 1 percent or more of total amount of stock. If not owned by a corporation, the names and addresses of the individual owners must be given. If owned by a partnership or other unincorporated firm, its name and address, as well as that of each individual must be given.) Northwestern Banker Company, 306 Fifteenth Street, Des Moines, Iowa 50309. Malcolm K. Freeland, president, 306 Fifteenth Street, Des Moines, Iowa, 50309. Ben Haller, Jr., vice president, 306 Fifteenth Street, Des Moines, Iowa, 50309.
- Known bondholders, mortgagees, and other security holders owning or holding 1 percent or more of total amount of bonds, mortgages or other securities: Malcolm K. Freeland, 306 Fifteenth Street, Des Moines, Iowa 50309. Ben Haller, Jr., 306 Fifteenth Street, Des Moines, Iowa 50309.
- Does not apply.
- Does not apply.
- Extent and nature of circulation:

	Average No. copies each issue during preceding 12 months	Single issue nearest to filing date
A. Total No. Copies printed (Net Press Run)	5,212	5,220
B. Paid circulation		
1. Sales through dealers and carriers, street vendors and counter sales	NONE	NONE
2. Mail subscriptions	4,830	4,848
C. Total paid circulation	4,830	4,848
D. Free distribution (including samples) by mail, carrier or other means	282	272
E. Total distribution (Sum of C and D)	5,112	5,120
F. Office use, left-over unaccounted, spoiled after printing	100	100
G. Total (Sum of E & F - should equal net press run shown in A)	5,212	5,220

I certify that the statements made by me above are correct and complete.

MALCOLM K. FREELAND
Publisher

Vol. 1. No. 27 Northwestern Banker Newsletter is published weekly by the Northwestern Banker Company, 306 Fifteenth Street, Des Moines, Iowa 50309. Subscriptions 25¢ per copy, \$6 per year. Second class postage paid at Des Moines, Iowa. Address all mail subscriptions, changes of address (Form 3579), manuscripts, mail items to above address.